

MEDIA, PA – With continuing job losses and an unemployment rate rising to 9.8 percent as September's jobs numbers were released today, Congressman Joe Sestak (PA-07) announced new legislation that would spur economic growth through small business job creation. The Congressman revealed the details of the bill at the Temple University Small Business Development Center (SBDC) following a small business forum with local company owners, area investors who would be supported by the legislation, the Director of the U.S. Export Assistance Center – a key program to help small businesses prosper – and the Directors of the SBDCs at Temple at the University of Pennsylvania. As Vice Chairman of the Small Business Committee, Congressman Sestak introduced the American Small Business Innovation Act because more incentives for small businesses – including investing in Angel Investor and Venture Capitalist programs – are needed as small businesses create 70 percent of all jobs in America.

“We have got to grow faster if we are to not only weather the current economic storm, but also emerge from this recession as the prosperous country we should be, taking full advantage of the American entrepreneurial spirit and the potential of our workforce,” said Congressman Sestak, who holds a PhD in political economy. “We cannot address the high unemployment rate without new initiatives, as the models currently show the unemployment will rise to about ten percent this year and remain at about that level throughout 2010. If we do not take bold actions and instead maintain our nation's previous rate of growth, it will take until 2011 to soak up the lost Gross Domestic Product (GDP) since 2007. Meanwhile, China will grow 8.5 percent in GDP this year as we lose 2.7 percent GDP. Next year, our growth rate is predicted at only 1.5 percent versus nine percent for China – which is why we must have initiatives such as those I have announced today to spur faster and greater growth for the United States. This bill will help us make small business investment the norm, not the exception and increase that rate to the needed four percent.”

The new Act represents part of Congressman Sestak's plans to support innovation in small businesses, ensure economic competitiveness in emerging fields and create jobs. The bill will generate more support from key types of investors by expanding the New Markets Venture Capital Program and establishing an Angel Investment Program. The Angel Finance Program would function as a public-private partnership between the agency and privately organized "angel groups" that would consist of ten or more accredited investors who are licensed by the Small Business Administration specifically for the purpose of making investments to early stage small businesses. Under the Angel Investment Program financing will be provided to approved Angel Groups for the purpose of providing venture capital investment in small businesses. Priority will be given to Angel Groups that invest in small businesses owned and controlled by Veterans, women, or socially and economically disadvantaged groups.

At the event, Congressman Sestak highlighted the U.S. Commerce Department's Export Assistance Center, and Director Tony Ceballos – which provides counseling and a variety of products and services to assist small and mid-sized U.S. businesses export their products and

services – as a key program in helping small businesses grow. He also recognized the several small business success stories after meeting with Matt Malek, Director of Strategic Operations, Analytical Graphics, Inc; Rachel Carson, President & CEO, Helicopter Tech; David Hope, Vice President, American Crane; Sal DePrisco, Russell Solar; Vinod Bagdwal, Lansdale Packaged Ice; and Stephan Reeves, Montage Diversity. Also in attendance were the Directors of the Temple University and Wharton Small Business Development Centers, Eustace Kangaju and Therese Flaherty, and representatives from local Angel Networks.

Furthermore, the Congressman stated that additional efforts are needed to:

- Strengthen small business programs targeting women, veterans, and minorities in part by making permanent the Small Business Administration's Community Express Lending Program, which represents nearly one quarter of all women and minority small business loans and provides small business loans of as little as \$25,000. Despite the program's success, it has remained a pilot program for the last 14 years.
- Reinstate expanded federal procurement set asides for small businesses, in part by repealing the mislabeled Small Business Competitiveness Demonstration Program (COMPDEMO) and implementing government-wide set-asides.
- Ensure a nationwide emergency lending program during the ongoing economic downturn by establishing an office within the SBA that can provide emergency liquidity to small businesses that are facing limited credit availability to meet such basic necessities as payroll.
- Encourage increased small business lending by providing enhanced tax incentives for individuals and private companies to make investments in small businesses, and raising Small Business Administration loan guarantees.
- Extend and expand tax incentives for small businesses to create jobs.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including as Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, the Congressman was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, the Congressman is the highest-ranking former military officer ever elected to the U.S. Congress.